

AGENDA

Ordinary meeting of the

Nelson Regional Sewerage Business Unit

Te Rōpū ā-Rohe Para, Whakatū / Te Tai o Aorere

Date:	Friday 26 November 2021
Time:	9.30a.m.
Location:	Council Chamber Floor 2A, Civic House 110 Trafalgar Street, Nelson

Membership:

Chairperson

Deputy Chairperson

Members

Tasman District Councillor Kit Maling

Nelson City Councillor Tim Skinner

Nelson City Councillor Brian McGurk

Tasman District Councillor Trevor Tuffnell

Independent Member (vacant)

Iwi Advisor (vacant)

Industry Representative (non-voting) Philip Wilson

Quorum: 3

Nelson City Council Disclaimer

Please note that the contents of these Council and Committee Agendas have yet to be considered by Council and officer recommendations may be altered or changed by the Council in the process of making the formal Council decision

Nelson Regional Sewerage Business Unit

The Nelson Regional Sewerage Business Unit (NRSBU) is a joint committee of Nelson City and Tasman District Councils. Operation of the NRSBU is governed by a Board, as established by a Memorandum of Understanding (A1983271).

Areas of Responsibility:

- To manage and operate the wastewater treatment facilities at Bells Island and the associated reticulation network efficiently and in accordance with resource consent conditions to meet the needs of its customers.

Powers to Decide:

- The Councils are agreed that the responsibility for all management and administrative matters associated with the NRSBU operation shall be with the Board, and in particular the Board shall without the need to seek any further authority from the Councils:
 - Operate a bank account for the Business Unit;
 - Comply with the Procurement Policy of the Administering Council;
 - Enter into all contracts necessary for the operation and management of the Business Unit in accordance with the approved budgets and intent of the Business Plan;
 - Authorise all payments necessary for the operation and management of the Business Unit within the approved budgets and intent of the Business Plan;
 - Do all other things, other than those things explicitly prohibited by this Memorandum of Understanding or relevant statutes, that are necessary to achieve the objectives as stated in the Strategic Plan, Asset Management Plan or Business Plan approved by the Councils;
 - Comply with the Health and Safety Policy and requirements of the administering Council
- Contribute to the sanitary services assessment process of the Councils
- Contribute to and comply with the waste management plans of the Councils
- Contribute to the development of the Councils' Development and Financial Contribution policies
- Contribute to the Councils' Regional Policy Statement and Regional Plan Reviews
- Develop and keep under review an appropriate contract for the delivery of waste collection and disposal services with each of its customers
- Follow generally accepted accounting practices
- Follow good employment practices

Powers to Recommend to Councils:

- Any other matters under the areas of responsibility of the Business Unit and detailed in the Memorandum of Understanding.
- All recommendations to Council will be subject to adoption of an equivalent resolution by the other Council, unless it is a matter specific to one Council only.

Quorum:

- The Memorandum of Understanding governing the NRSBU allows for either six or seven members to be appointed. The quorum at a meeting is either three (if six members are appointed), or four (if seven members are appointed), including at least one from each local authority.

Procedure:

- The Standing Orders of the Council providing administration to the committee will be applied at each meeting.
- The Chairperson will not have a casting vote.
- Copies of minutes of meetings of the Joint Committee will be retained by each Council for record keeping purposes

1. Apologies

Nil

2. Confirmation of Order of Business

3. Interests

3.1 Updates to the Interests Register

3.2 Identify any conflicts of interest in the agenda

4. Public Forum

5. Confirmation of Minutes

5.1 17 September 2021

5 - 11

Document number M18939

Recommendation

That the Nelson Regional Sewerage Business Unit

1. Confirms the minutes of the meeting of the Nelson Regional Sewerage Business Unit, held on 17 September 2021, as a true and correct record.

6. Chairperson's Report

7. Nelson Regional Sewerage Business Unit General Managers Quarterly Report

12 - 25

Document number R26387

Recommendation

That the Nelson Regional Sewerage Business Unit

1. Receives the report Nelson Regional Sewerage Business Unit General Managers Quarterly Report (R26387).

CONFIDENTIAL BUSINESS

8. Exclusion of the Public

Recommendation

That the Nelson Regional Sewerage Business Unit

- 1. Excludes the public from the following parts of the proceedings of this meeting.***
- 2. The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:***

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
1	Nelson Regional Sewerage Business Unit Meeting - Confidential Minutes - 17 September 2021	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7.	The withholding of the information is necessary: <ul style="list-style-type: none"> • Section 7(2)(i) To enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)
2	Nelson Regional Sewerage Business Unit Solar Power Update Report	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7	The withholding of the information is necessary: <ul style="list-style-type: none"> • Section 7(2)(b)(ii) To protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information • Section 7(2)(h) To enable the local authority to carry out, without prejudice or disadvantage, commercial activities



Minutes of a meeting of the

Nelson Regional Sewerage Business Unit

Te Rōpū ā-Rohe Para, Whakatū / Te Tai o Aorere

Held in the Council Chamber, Floor 2A, Civic House,, 110 Trafalgar Street, Nelson on Friday 17 September 2021, commencing at 2.00p.m.

Present: Tasman District Councillor K Maling (Chairperson), Nelson City Councillor B McGurk, Tasman District Councillor T Tuffnell, Independent Member B Silcock and Industry Representative (non-voting) P Wilson

In Attendance: NCC Group Manager Infrastructure (A Louverdis), TDC Utilities Manager (M Schruer), General Manager Regional Sewerage and Landfill (N Clarke) and NCC Governance Advisers (E Stephenson and J Brandt)

Apologies : Nil

1. Apologies

There were no apologies.

2. Confirmation of Order of Business

There was no change to the order of business.

3. Interests

There were no updates to the Interests Register, and no interests with items on the agenda were declared.

4. Public Forum

There was no public forum.

Confirmation of Minutes

5.1 11 June 2021

Document number M18699, agenda pages 7 - 10 refer.

Resolved RSBU/2021/017

That the Nelson Regional Sewerage Business Unit

- 1. Confirms the minutes of the meeting of the Nelson Regional Sewerage Business Unit, held on 11 June 2021, as a true and correct record.***

McGurk/Tuffnell

Carried

6. Chairperson's Report

Document number R26221

There was no Chairperson's Report.

7. Nelson Regional Sewerage Business Unit Annual Report 2020/21

Document number R26152, agenda pages 11 - 49 refer.

General Manager Regional Sewerage and Landfill, Nathan Clarke, spoke to the report, noting that compliance had been achieved on everything except the aberrational discharge consent, which had not been achieved as the cultural health index had not yet been undertaken. In response to a question regarding a timeframe for this work, Mr Clarke advised that the health index would be undertaken by Te Ātiawa, but no date had been confirmed for this.

Mr Clarke answered questions regarding project delays, carry forwards, infiltration programmes, pump capacity and material and resource constraints, which meant there was a risk that the work programme would not be delivered. It was noted that future delays in materials could be expected to continue, resulting in carry forwards.

It was noted that there was an amendment to the officer's recommendation to add that the Annual Report was approved for presentation to both Councils, a delegation for minor amendments, and the recommendation to both Councils.

Resolved RSBU/2021/018

That the Nelson Regional Sewerage Business Unit

- 1. Receives the report Nelson Regional Sewerage Business Unit Annual Report 2020/21 (R26152) and its attachment (A2497193); and***
- 2. Approves the Nelson Regional sewerage Business Unit Annual Report (R26152) and Draft Nelson Regional Sewerage Business Unit – Annual Financial Statements 2020/21 (A2497193) for presentation to the Nelson City Council and Tasman District Council, with delegation of all minor amendments to the Nelson Regional Sewerage Business Unit Chairperson and General Manager.***

McGurk/Tuffnell

Carried

Recommendation to the Nelson City and Tasman District Councils

Resolved RSBU/2021/019

That the Nelson City and Tasman District Councils

- 1. Receive the Draft report Nelson Regional Sewerage Business Unit Annual Report R26152 (A2748511) and its attachment, the Nelson Regional Sewerage Business Unit Annual Financial Statements 2020/21 (A2497193).***

McGurk/Tuffnell

Carried

8. Nelson Regional Sewerage Business Unit Capital Carryover Report

Document number R26165, agenda pages 50 - 57 refer.

It was noted that the budget for generators was the biggest carryover and Operations Manager Regional Services, Brad Nixon, confirmed that they were coming from overseas and expected at the end of October and November, however there could be other delays.

Resolved RSBU/2021/020

That the Nelson Regional Sewerage Business Unit

- 1. Receives the report Nelson Regional Sewerage Business Unit Capital Carryover Report (R26165); and***
- 2. Approves the carryover of capital (\$5.977M) and Renewals budgets (\$1.048M) from 2020/21 financial year to the 2021/22 financial year, to ensure continuation of urgent and planned works.***

Tuffnell/Skinner

Carried

9. Draft Nelson Regional Sewerage Business Unit Business Plan 2022/23

Document number R26215, agenda pages 58 - 74 refer.

General Manager Regional Sewerage and Landfill, Nathan Clarke, noted that the Business Plan outlined strategic goals, objectives and budgets and that there had been a change in those numbers from last year. He said the plan reflected what was expected from the Activity Management Plan, with the only change being the inclusion of carry overs to this year.

Group Manager Infrastructure, Alec Louverdis, noted that officers were on schedule to bring the Business Plan back in December, in line with requirements.

Resolved RSBU/2021/021

That the Nelson Regional Sewerage Business Unit

- 1. Receives the report Draft Nelson Regional Sewerage Business Unit Business Plan 2022/23 (R26215) and its attachment (A2728794); and***
- 2. Approves the Draft Nelson Regional Sewerage Business Unit Business Plan (A2728794) for submission to Nelson City Council and Tasman District Council for their consideration and feedback.***

McGurk/Skinner

Carried

10. Nelson regional Sewerage Business Unit General Manager Quarterly Report

Document number R26161, agenda pages 75 - 87 refer.

General Manager Regional Sewerage and Landfill, Nathan Clarke and Operations Manager Regional Services, Brad Nixon, spoke to the report and answered questions on the effects of prolonged rainfall and significant rain events, inundation reduction, iwi engagement on the 50 year plan, biosolids application, pipeline upgrade process, health and safety, and possible cessation of discharge by an industrial customer.

Resolved RSBU/2021/022

That the Nelson Regional Sewerage Business Unit

- 1. Receives the report Nelson regional Sewerage Business Unit General Manager Quarterly Report (R26161).***

Skinner/Tuffnell

Carried

2. Exclusion of the Public

Resolved RSBU/2021/023

That the Nelson Regional Sewerage Business Unit

- 1. Excludes the public from the following parts of the proceedings of this meeting.***
- 2. The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:***

Tuffnell/Skinner

Carried

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
1	Nelson Regional Sewerage Business Unit Meeting - Confidential Minutes - 11 June 2021	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7.	The withholding of the information is necessary: <ul style="list-style-type: none"> • Section 7(2)(i) To enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
2	Contract 25833: Nelson Regional Sewerage Scheme - Operations & Maintenance	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7	The withholding of the information is necessary: <ul style="list-style-type: none"> • Section 7(2)(i) To enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)
3	Contract 25834: NRSBU Biosolids Application	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7	The withholding of the information is necessary: <ul style="list-style-type: none"> • Section 7(2)(i) To enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)

The meeting went into confidential session at 2.35p.m. and resumed in public session at 3.06p.m.

3. Restatements

It was resolved while the public was excluded:

1 CONFIDENTIAL: Contract 25833: Nelson Regional Sewerage Scheme - Operations & Maintenance

That the Nelson Regional Sewerage Business Unit

3. *Agrees that report (R26204), attachments (A2740327, A2740328 and A2740329) and the decision be made publicly available once all tenderers have been advised.*

2 CONFIDENTIAL: Contract 25834: NRSBU Biosolids Application

That the Nelson Regional Sewerage Business Unit

3. *Agrees that report (R25834) and the decision be made publicly available once the tenderer has been advised.*

There being no further business the meeting ended at 3.06p.m.

Confirmed as a correct record of proceedings by resolution on (date)

Resolved

Item 7: Nelson Regional Sewerage Business Unit General Managers Quarterly Report



Nelson Regional Sewerage Business Unit

26 November 2021

Report Title: Nelson Regional Sewerage Business Unit General Managers Quarterly Report

Report Author: Nathan Clarke - General Manager Regional Sewerage and Landfill

Report Number: R26387

1. Purpose of Report

1.1 This report is a three-monthly update by the General Manager (GM) on activities undertaken to the end of September 2021 by the Nelson Regional Sewerage Business Unit (NRSBU).

2. Summary

2.1 Operations are generally running well.

2.2 There were 3 odour notifications received during this period.

2.3 Two of these notifications related to ammonia odour from the ATAD biofilter, and one was attributed to the biosolids storage tank. A project to mitigate these issues has been delayed by the retendering of the O&M contract and staff capacity.

2.4 Several rainfall events have resulted in overflows within the network during August. These overflows were managed as required by the NRSBU

Item 7: Nelson Regional Sewerage Business Unit General Managers Quarterly Report

Aberrational Discharge Consent.

Pump Station	Saxton	Songer
Start of discharge	05/8/21 – 11.45pm	05/8/21 – 11.24pm
End of discharge	06/8/21 – 12.19am	06/8/21 – 03.44am
Peak flow rate	Unknown – estimated max 200l/s	Unknown – estimated max 123l/s
Total volume	Unknown – estimated max 450m ³	Unknown – estimated max 1750m ³
Tide condition	Ebb	Ebb then flow. Low tide at 01.58am
Wind (Bells)	1 – 9kph, NW to NE	
Rainfall (Bells)	44mm (between 10.38pm and 3.15am)	

- 2.5 Additional overflows occurred from the network alongside the Beach Rd PS. These have been managed by TDC directly due to them exceeding the NRSBU contracted capacity.
- 2.6 The high rainfall meant that NRSBU requested a temporary increase in the discharge duration to allow increased flows to be discharge to the estuary from 26 July to 06 August
- 2.7 Two significant safety incidents occurred during this period. Both incidents involved the contractor working on the NRSBU rising main in Turners and Growers site.
- 2.7.1 This first incident was a 11KV electrical cable strike. The project manager from NCC instigated an investigation and logged the event in the NCC Improvements system. A second incident occurred three weeks later where a second 11KV cable was struck by the same contractor on the same project.
- 2.7.2 NRSBU requested the information related to the second strike and a review of this information identified that the contractor had followed good practices, and that the cable had not been identified by the independent cable location specialist engaged by the contractor.
- 2.8 A Registration of Interest (ROI) for the supply of solar power to provide base load responses were received. This is covered in a separate report on the agenda.
- 2.9 The regional pipeline rehabilitation project preliminary design is complete for sections 5 to 8, and investigations have identified that the existing unused infrastructure underneath Whakatu drive is able to be used as part of the pipeline duplication.
- 2.10 The T&G section of the pipeline construction is complete.
- 2.11 The new generators for the pumpstations are being painted with an additional protective coating in Nelson and will be available for installation by the end of November. Enabling works for the generator installation are underway.

Item 7: Nelson Regional Sewerage Business Unit General Managers Quarterly Report

- 2.12 Financial performance to 30 June 2021 is better than budget. A decrease in fixed contributions compared to budget is compensated by an increase in variable contributions and other recoveries.
- 2.13 One change from the previous quarter is the continued significant increase in consultancy costs related to the work being undertaken re-tendering of the NRSS O&M contract, and assistance with the NRSS valuation. This ongoing cost also relates to the engagement of a consultant to support NRSBU as the acting Activity Engineer

3. Recommendation

That the Nelson Regional Sewerage Business Unit

- 1. Receives the report Nelson Regional Sewerage Business Unit General Managers Quarterly Report (R26387).***

4. Background and Discussion

- 4.1 This report is the GM update to 30 September 2021. It outlines the activities, issues and opportunities that have occurred during this period.

5. Health and Safety and Environment (HS&E)

- 5.1 H&S for the Operations Contract is being managed well, and no significant safety issues are currently outstanding. The programme of safety improvements is currently ongoing. Progress on these activities is being updated by the contractor in each monthly report.
- 5.2 A visit to the site by NRSBU board members was undertaken in July 2021.
- 5.3 Table 1 below shows a list of H&S notifications for the period 30 April 2021 to 30 June 2021

Health and Safety notifications for the period to 30 April 2021			
Jan 2021	Incident	Operator splashed with wastewater	Changing diffuser plate in an aerator and when pressing on the diffuser plate wastewater sprayed out bolt hole onto the staff member.
Jan 2021	Incident	Operator banged into low hanging equipment	Walked into pumpstation and walked into endless chain. No injury.

Item 7: Nelson Regional Sewerage Business Unit General Managers Quarterly Report

March 2021	Incident	Minor vehicle damage	Closed garage door hit vehicle when closing.
March 2021	Near Miss	Operator splashed with wastewater	Residual pressure caused Wastewater to squirt out of pipeline. – no injury.
March 2021	Incident	Trailer drawbar support leg on trailer not correctly Engaged.	Trailer tipped to angle and cause minor diesel spill. Spill cleaned up, trailer support reviewed, and engineering modification made to support to prevent future occurrence.
April 2021	Incident	Wind caught vehicle door and swung it open causing minor damage.	Minor property damage, no injury.
July 2021	Near miss	Chemical Identification	Wrong chemical bags picked up. Detected prior to use.
July 21	Incident	Shifting logs from causeway – minor cut	Cleaned and Plaster – Use gloves where possible for Manual handling.
August 2021	Incident	Closing screen manually	Due to duration and force needed to close the valve operator strained muscle.
September 2021	Incident	11 KV cable strike	Capital works Contractor Working ON NRSBU activity in T&G hit 11KV cable.
October 2021	Incident	11KV cable strike	Capital works Contractor - Second cable strike on same project working around Saxton RD pumpstation.

5.4 The two cable strike incidents that occurred are considered serious and are being investigated. NRSBU has adopted new processes for all its construction activities that require both cable location and ground penetrating radar to inspect all location where excavation will occur, including a buffer area around the excavation.

5.4.1 The results of the NRSBU investigation have shown that the NRSBU contractor followed good practices and requested third party service location prior to the commencement. It appears that the third party scanned and located known assets in the area, however they did not scan the area immediately underneath the excavation and the cable struck was not shown on the GIS system and was therefore not detected.

Item 7: Nelson Regional Sewerage Business Unit General Managers Quarterly Report

- 5.5 Overflows occurred at both Saxton Rd and Songer St pumpstations. Both issues were caused by lightning affecting the power supply however the power did not remain off for long.
- 5.5.1 Due to issues within the NCC SCADA and alarm systems NRSBU was not alerted to the power disturbance. If the alarm system had remained functioning, then the NRSBU operators could have reset the system and it is likely no overflow would have occurred.
- 5.5.2 This alarm system failure has happened on more than one occasion previously, and NRSBU have narrowly avoided overflows in those instances. The situation has led to NRSBU not achieving its desired levels of service, and discharge to the environment occurring.
- 5.5.3 A plan is being developed by NRSBU to implement alternative processes to ensure that failure of the NCC Alarm system cannot result in failure and overflows for NRSBU, and NRSBU are aware that NCC are implementing improvements to the alarms system.

6. NRSBU Activities

- 6.1 NRSBU staff continue to be very busy during the period with numerous activities and projects in progress.
- 6.2 The interview process has been completed for the engagement of a new Activity Engineer. A candidate was being considered for the role but is no longer available.
- 6.3 The Acting Activity Engineer on secondment has resigned and from 10 December will no longer have significant time available to support NRSBU. Discussions are proposed with the new employer to see whether some time may be available to assist NRSBU.
- 6.4 NRSBU is working to identify alternative personnel to assist, but there is significant difficulty recruiting, seconding, and contracting appropriate personnel in the current labour market.
- 6.5 Workload has remained high, and delays have begun to occur on some projects due to resource capacity, and further constraints are expected for Regional Services until such time as additional resources can be engaged.
- 6.6 Projects underway at present include:
- 6.6.1 Moturoa Rabbit Island Biosolids discharge consent,
- 6.6.2 Rising main pipework upgrades including:
- Relining between SH6 and Monaco

Item 7: Nelson Regional Sewerage Business Unit General Managers Quarterly Report

- Sections 5 – 8 from Kotua Place to Saxton Road detailed design underway.
 - Section through Heslops to coincide with Saxton Creek Stage 4 project
 - Investigations for the section 1-4 (Beach Rd to Heslops)
- 6.6.3 New generator installation at the NRSS pump stations (PS)
- 6.6.4 Overflow screening at Songer St PS
- 6.6.5 Overflow screening at Wakatu PS
- 6.6.6 Replacement of all NRSBU PS covers to improve safety and improve odour containment, and to reduced inundation risks on all the low-lying sites.
- 6.6.7 Consideration of sites for overflow storage at Saxton Rd.
- 6.6.8 Consideration regarding future options to adapt to sea level raise for both pumpstations and the Bell Island facility
- 6.6.9 Site improvement works at Bell Island including:
- Dewatering the Facultative ponds
 - Generator procurement and installation
 - Recycle water system optimisation.
 - ATAD odour control upgrade
 - Pond desludging and sea defence bund.
 - Vehicle underbody wash to reduce corrosion from salt water.
 - A Registration of Interest was released to the market. Response have been received and these are covered by a separate agenda item.
- 6.6.10 Other Bell Island Projects
- Sludge tanks replacement design
 - Facilities upgrade design.
 - Odour upgrades at inlet works
 - Odour upgrade work at ATAD system
- 6.6.11 Renewals and maintenance on buildings and equipment.

Item 7: Nelson Regional Sewerage Business Unit General Managers Quarterly Report

6.6.12 Best Island Foreshore Rehabilitation

6.6.13 Greenacres Golf Course Water reuse discussion and planning.

7. Update on Significant projects

- 7.1 **Rabbit Island Biosolids Application Consent** – The Rabbit Island Biosolids Application consent was publicly notified with submissions closing on 19 May 2021. NRSBU held a Hui in September over Zoom to discuss the submissions and to see whether there was a possibility to reach an agreement with the submitters. At this Hui it became clear that it is unlikely that an agreement can be reached. The next steps are for NRSBU to respond formally to Iwi regarding the Cultural Impact Assessment, to hold another Hui on 25 November as required by the NRSBU Bell Island consent during which another Rabbit Island site visit will occur. Following this Tasman District Council will need to schedule a hearing for the consent application.
- 7.2 **Bell Island O&M contract** - The RFP for the Operations and Maintenance of the Bell Island facility was completed and Nelmac was appointed as the new contractor. The new Contract commenced on 1 November 2021. The first collaboration meeting has been held.
- 7.3 **Rabbit Island O&M contract** - The Biosolids Application Operations and Maintenance Contract retendering process was completed, and Nelson Marlborough Waste won the tender. This new contract commenced on 1 November 2021.
- 7.4 **NRSS pipeline upgrade -Section 11** - Relining the section between Martin point and SH6 – has commenced. The liner has been delayed and will arrive in New Zealand in December 2021. The contractor has also been delayed due to the availability of sub-contractors for the enabling works. The contract is now expected to be completed in April 2022.
- 7.5 **NRSS pipeline upgrade - Section 9** – T&G pipe replacement is complete.
- 7.6 **Generator Purchase** - The supply contract has been signed with the supplier, and the new generators are in Nelson being coated with an additional protective coating. The generators are expected to arrive onsite at the end of November.
- 7.7 **Desludging of the Bell Island ponds** is underway, progress has been slower than desired due to debris in the pond causing issues with the dredge. At present 16 dewatering bags have been filled. An independent contractor has been engaged to survey the Ponds to identify the desludging performance to date, and to identify the location of the sludge banks in ponds F1 and F3 to allow the contractor to move one to the next pond when finished in Pond F2.

Item 7: Nelson Regional Sewerage Business Unit General Managers Quarterly Report

7.8 **Asset inspections** – a Request for Proposals was sent to selected specialist companies for the inspection of the original 600 mm diameter concrete pipe between Monaco and Bell Island. The work was originally intended to be undertaken following the completion of the new pipeline in 2012 but has not yet been undertaken. Two proposals were received from companies with good expertise. NRSBU has engaged a contractor to commence the first sections of this work.

8. Finance

8.1 The NRSBU were above budget for the first Quarter achieving a surplus for the period to 30 September 2021 of \$134,000.

8.2 Income

- Fixed recoveries under budget by \$119,000 due to lower interest rate in the WACC in the recovery calculation compared with budget.
- Variable recoveries \$267,000 over budget.
- Other recoveries \$38,000 over budget.

8.3 Expenditure

- Management under by \$34,000 which was offset by increased consultancy costs
- Electricity over by \$46,000 due to high usage in July and August.
- Contract maintenance under budget by \$47,000
- Consultancy over budget by \$151,000. Due to Staff secondment, O&M procurement, Asset register & Valuation
- Biosolids under budget by \$33,000.
- Interest under by \$76,000 due to lower Interest rate than budget and delay in Capex program.
- Depreciation over budget due to revaluation.

Item 7: Nelson Regional Sewerage Business Unit General Managers Quarterly Report

8.4 Table 3 below shows the NRSBU Financial Report to 30 June 2021.

Nelson Regional Sewerage Business Unit								
Financial Report								
Income Account for the period to				31st September 2021				
	Actual Month	Budget Month	Actual YTD	%	%	2021/22 Budget		
				YTD	Year	YTD	Annual	YTD Variation
Income								
Contributions Fixed	359,426	399,000	1,078,279	90	23	1,197,000	4,788,000	(118,721)
Contributions Variable	500,890	394,500	1,450,609	123	31	1,183,500	4,734,000	267,109
Other Recoveries	25,907	13,166	77,031	195	49	39,500	158,000	37,531
Interest	0	-	0			-	-	0
Forestry Income	-	-	-			-	-	0
Total Income	886,223	806,666	2,605,919	108	27	2,420,000	9,680,000	185,919
Less Expenses								
Management	35,075	41,667	90,795	73	18	125,000	500,000	34,205
Electricity	59,786	75,025	270,673	120	30	225,075	900,300	(45,598)
Contract Maintenance	81,009	76,182	254,124	111	28	228,550	914,200	(25,574)
Reactive and Proactive Maintenance	78,403	80,708	169,950	70	18	242,125	968,500	72,175
Monitoring	41,595	29,833	82,031	92	23	89,500	358,000	7,469
Consultancy	63,082	6,250	169,559	904	226	18,750	75,000	(150,809)
Insurance	7,675	8,167	23,025	94	23	24,500	98,000	1,475
Sundry	4,488	8,500	22,549	88	22	25,500	102,000	2,951
Biosolids Disposal	50,883	80,000	206,810	86	22	240,000	960,000	33,190
Operating & Maintenance Expenses	421,996	406,332	1,289,516	106	26	1,219,000	4,876,000	(70,516)
Financial	35,399	60,833	106,275	58	15	182,500	730,000	76,225
Depreciation	231,905	212,750	695,714	109	27	638,250	2,553,000	(57,464)
Total Expenses	689,301	679,915	2,091,505	103	26	2,039,750	8,159,000	(51,755)
Net Income	196,923	126,751	514,414	135	34	380,250	1,521,000	134,164
Capital Expenditure								
Renewals	10,305		46,607				3,242,604	
New Capital Expenditure	580,855		1,757,897				10,777,747	
Total Capital Expenditure	591,160		1,804,504				14,020,351	

Item 7: Nelson Regional Sewerage Business Unit General Managers Quarterly Report

8.5 The NRSBU financial Position as of 30 September 2021 is shown in Table 4 Below

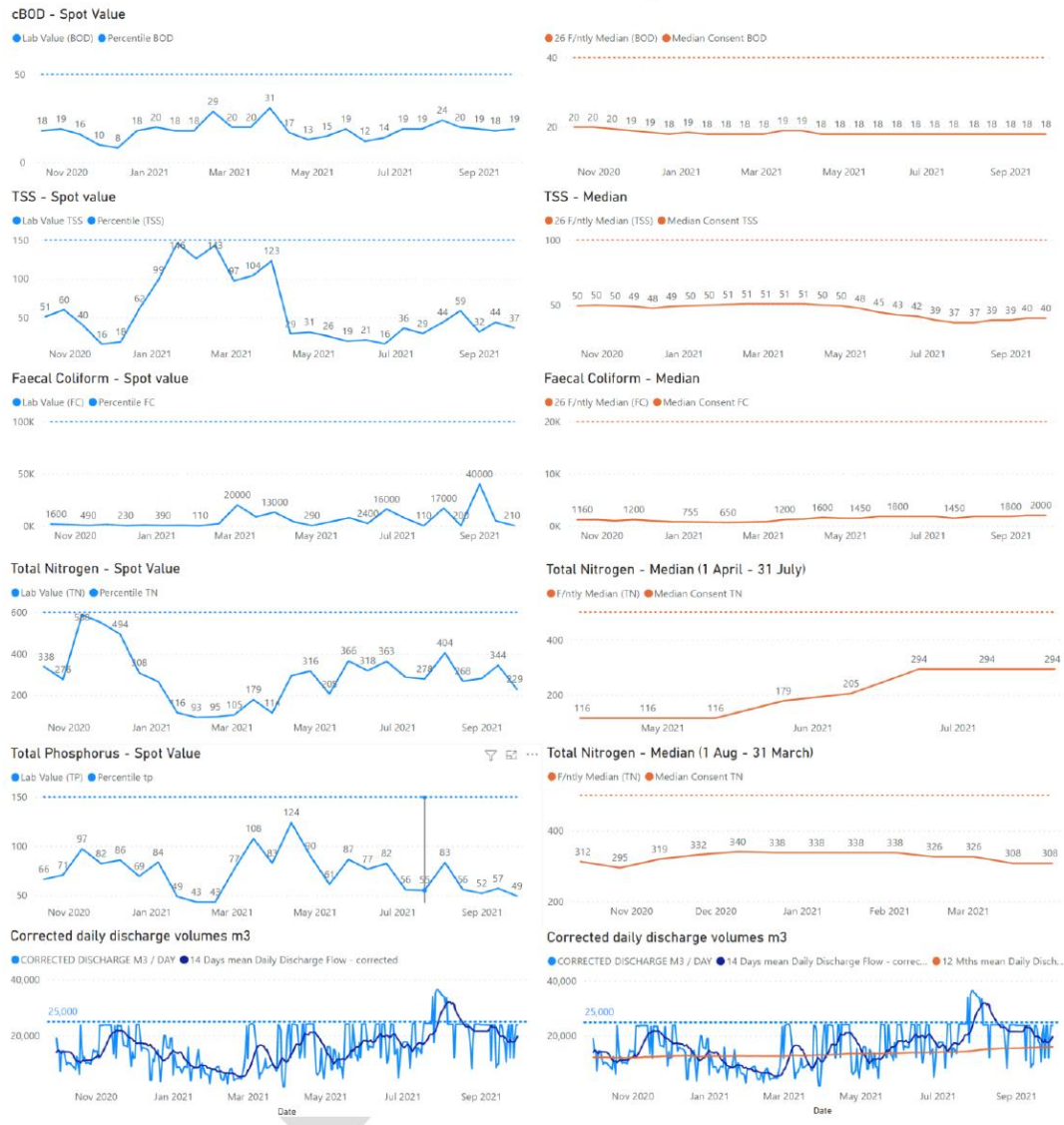
Nelson Regional Sewerage Business Unit			
	Balance Sheet as at		31st September 2021
	Current	Last Month	June 2021
Equity			
Opening Equity (July)	55,695,341	55,695,341	52,165,551
Plus Net Income YTD	514,414	317,492	0
Plus Revaluation	0	0	3,529,790
Closing Equity	56,209,756	56,012,833	55,695,341
Contingency Reserve	100,000	100,000	100,000
	56,309,756	56,112,833	55,795,341
Which was Invested as follows -			
Current Assets			
Bank	2,176	2,180	3,778
Debtors	102,106	119,446	280,691
NCC Current account	0	0	0
Total Current Assets	104,282	121,626	284,469
Fixed Assets	79,703,312	79,344,057	78,594,522
Current Liabilities			
Creditors	0	(70,863)	0
NCC Loan	(1,310,000)	(1,310,000)	(740,000)
TDC Current Account	(568,534)	(534,134)	(243,443)
NCC Current account	(1,619,304)	(1,437,853)	(2,100,207)
Total Current Liabilities	(3,497,838)	(3,352,850)	(3,083,650)
Term Liabilities	(20,000,000)	(20,000,000)	(20,000,000)
Derivative Financial Instruments	0	0	0
	56,309,756	56,112,833	55,795,341

9. Discharge performance

9.1 The wastewater discharge performance from Bell Island WWTP has meet all the consent criteria for the period to June 2021, however a request for an increased discharge was requested from TDC during July 2021 to permit an increase in discharge greater than allowed under the NRSBU discharge consent. This was due to the significant and prolonged rainfall.

Item 7: Nelson Regional Sewerage Business Unit General Managers Quarterly Report

RM 171238 Consent Graphs



Note –
Due to high inflows the 3 hour discharge time was extended to 4 hours from the 26 Jul – 06 Aug

10. NRSBU Resourcing

- 10.1 There are ongoing resource capacity issues for regional services staff.
- 10.2 The works programme is being implemented for both NRSBU and NTRLBU concurrently and this includes a significant amount of capital and renewals works.
- 10.3 The resourcing constraints are leading to some capital and operational works being delayed, and further delays are expected because of reduced staffing levels in the regional services team.

Item 7: Nelson Regional Sewerage Business Unit General Managers Quarterly Report

Author: Nathan Clarke, General Manager Regional Sewerage and Landfill

Attachments
Nil

Item 7: Nelson Regional Sewerage Business Unit General Managers Quarterly Report

Important considerations for decision making
Fit with Purpose of Local Government The NRSBU is a joint committee constituted pursuant to the provisions of Schedule 7 to the Local Government Act 2002 and contributes to the four Local Government well-beings of social, economic, environmental, and cultural.
Consistency with Community Outcomes and Council Policy Our infrastructure is efficient, cost effective and meets current and future needs.
Risk This report allows the NRSBU board to monitor and review the ongoing operations of the NRSBU. The report considers risks from health and safety and compliance, and with resource consents.
Financial impact This report has no financial impacts. It summarises financial performance against budgets.
Degree of significance and level of engagement The NRSBU is a Joint Committee of the two Councils and its activities are included in the Long-term Plans and Annual Plans of each Council. Consultation is undertaken by both Councils in the preparation and adoption of these plans
Climate Impact The NRSBU is a Joint Committee of the two Councils and its activities are included in the Long-term Plans and Annual Plans of each Council. Consultation is undertaken by both Councils in the preparation and adoption of these plans
Inclusion of Māori in the decision making process No engagement with Māori has been undertaken in preparing this report but iwi have representation on the Board.

Item 7: Nelson Regional Sewerage Business Unit General Managers Quarterly Report

Delegations

The Councils are agreed that the responsibility for all management and administrative matters associated with the NRSBU operation shall be with the Board, and in particular the Board shall without the need to seek any further authority from the Councils:

Enter into all contract necessary for the operations and management of the Business Unit in accordance with approved Budgets and the intent of the Business Plan.

Authorise all payments necessary for the operations and management of the business unit within the approve budgets and the intent of the Business Plan

Do all other things, other than those things explicitly prohibited by this MOU or relevant statutes, that are necessary to achieve the objectives as stated in the strategic Plan, Asset Management Plan or Business Plan approved by the councils.

Powers to Recommend to Councils:

Any other matters under the areas of responsibility of the Business Unit and detailed in the Memorandum of Understanding

All recommendations to Council will be subject to adoption of an equivalent resolution by the other Council, unless it is a matter specific to one Council only.